

Bylaws of the
Louisiana Agricultural Finance Authority
(LAFA)

Adopted November 17, 2010

Bylaws of the
Louisiana Agricultural Finance Authority
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Bylaws of the**Louisiana Agricultural Finance Authority****Section 101. Statutory Authority**

The establishment and effect of the rules and regulations of this Chapter (hereinafter referred to as the "Bylaws") of the Louisiana Agricultural Finance Authority (hereinafter referred to as the "Authority") shall be consistent with the provisions set forth in Chapter 3-B of Title 3 of the Louisiana Revised Statutes (hereinafter referred to as "the Act").

Section 102. Members of the Authority

- A. The Authority shall be composed of nine (9) persons. Eight of the persons shall be appointed by the Governor, as provided in LA R.S. 3:264 B, and ninth shall be the commissioner of agriculture and forestry (the "Commissioner"). The Commissioner shall serve ex-officio; however, he shall have the same rights and privileges, including voting rights, as the other members of the Authority. (Each of the persons so appointed, and the Commissioner shall sometimes hereinafter be referred to individually as a "Member", and collectively as "Members")
- B. The chair of the Senate Committee on Agriculture, Forestry, Agriculture and Rural Development, the chair of the House Committee on Agriculture, Forestry, Aquaculture and Rural Development, and the secretary of the Department of Economic Development, or their respective designees, shall serve in an advisory capacity to the Authority, but shall not be entitled to vote. Neither will their attendance at any meeting count toward establishing a quorum for the conduct of business.
- C. Members of the Authority shall not receive any salary for the performance of their duties. Appointed Members may receive a per diem not to exceed \$40.00 for attendance at meetings of the Authority or subcommittees thereof, and may be reimbursed for mileage expenses incurred in the performance of their duties, which reimbursement amount shall be fixed by the Authority in an amount not to exceed the allowance authorized under state travel allowance.

Section 103. Rights and Liabilities of a Member

A. Non-Liability for Debts

A Member shall not be liable or responsible for any debts or liabilities of the Authority. The private property of any Member shall be exempt from seizure and sale to satisfy any debts or liabilities of the Authority.

B. Indemnification

To the maximum extent permitted by law, the Authority shall, and does hereby agree to defend, indemnify and hold harmless any past or present Member who was, or is exposed to liability, fine, penalty, or other damages as a result of his or her good faith service as a Member. This indemnification and hold harmless covenant shall include attorney's fees and costs incurred by a Member in connection with the defense of any claim, and/or incurred in enforcing any of the provisions of this section.

Section 104. Domicile and Registered Agent

A. The domicile of the Authority shall be East Baton Rouge Parish, Louisiana.

A. The Authority's agent for service of process shall be the Director.

B. The principal office of the Authority is, and shall be the office of the Department of Agriculture and Forestry. Currently, the municipal address of the Department is 5825 Florida Blvd., Baton Rouge, Louisiana 70806.

D. The Authority may maintain an office at such other place or places as the Authority may determine.

Section 105. Mission of the Authority

A. The mission of the Authority is to alleviate the severe shortage of capital and credit available at affordable interest rates, by providing such capital and credit at interest rates within the financial means of persons and businesses engaged in agriculture, agribusiness, and agriculture exports; and persons and businesses desiring to convert to aquacultural farming and mariculture projects.

B. It is also the mission of the Authority to furnish and provide buildings, equipment and related facilities for use by the Department of Agriculture and Forestry to promote and assist agriculture and forestry in the State of Louisiana.

C. It is also the mission of the Authority to encourage and support the development of agricultural plants to process products of this state, by providing financial assistance to any person who owns, leases, or operates, or is seeking to own, lease, or operate an agricultural plant in this state.

Section 106. General Powers

The authority shall have all powers necessary to give effect to, and carry out the purposes, functions and objectives for its creation by the legislature of the State of Louisiana, including, but not limited to, the following:

- a. To sue and be sued in its own name or in the name of any subsidiary created by it pursuant to law.
- b. To have a seal and to alter it.
- c. To adopt bylaws for the internal organization and government of the Authority.
- d. To adopt, promulgate and amend rules and regulations for the administration of its programs in accordance with the Administrative Procedure Act.
- e. To make and execute contracts and all other instruments necessary and proper for the conduct of the business of the Authority with both public and private entities.
- f. To delegate to one or more of its Members, Officers, employees, or agents such powers and duties as it may deem proper; however, it may not delegate any powers and duties which are reserved specifically to the Members by statutory law, administrative law, case law and these bylaws, or which are inherently the responsibility of the Members.
- g. To accept, administer and expend donations of movable and immovable property from any source; and to receive, administer and expend appropriations from the legislature and financial assistance from the federal or state government.
- h. To procure or provide for the procurement of insurance or reinsurance against any loss in connection with its property or operations, including insurance or guarantees for the repayment of any bonds issued by the Authority.
- i. To insure, or cause to be insured agricultural loans, mortgage loans or mortgages, or any other type of loans and pay or receive premiums on such insurance, and establish reserves for losses, and participate in the insurance of agricultural loans, mortgage loans or mortgages, or any other type of loans with the federal or state government or any private insurance company.
- j. Undertake or authorize studies and analyses of agricultural conditions and needs within the state and needs relating to the promotion of agricultural exports and make such studies and analyses available to the public.
- k. Serve as the beneficiary of any public trust heretofore or hereafter created pursuant to the provisions of R.S. 9:2341, et seq.
- l. Supervise and utilize public employees, equipment, and material in carrying out public work, including public work in furtherance of Formosan termite suppression.

Section 107. Agricultural Loans

- A. The Authority may make and guarantee agricultural loans, and purchase or sell agricultural loans.
- B. The Authority may purchase, or contract to purchase and sell, or contract to sell agricultural loans made by lending institutions, at such price and upon such terms and conditions as it shall determine in accordance with rules established pursuant to the Administrative Procedure Act.
- C. The Authority may make, or contract to make, loans to and deposits with lending institutions at such rates, terms and conditions as it shall determine in accordance with rules or regulations adopted pursuant to the Administrative Procedure Act.
- D. The Authority shall require that all proceeds of its loans to or deposits with lending institutions, or an equivalent amount, shall be used by such lending institutions to make agricultural loans, subject to such terms and conditions as the Authority may prescribe.
- E. With prior approval of the House and Senate committees on agriculture, forestry, aquaculture and rural development, to create such subsidiary corporations or entities as may be necessary to make agricultural loans, borrow money for agricultural loans, or issue bonds in the international financial market.
- F. The Authority may participate in cooperative endeavors involving loans and loan guarantees to private business enterprises, nonprofit institutions and organizations, the state and political subdivisions thereof, the federal government, and other organizations or persons concerned with the development or enhancement of agricultural plants in this state; provided that the participation results in the creation of a significant number of new jobs in relation to the amount of participation by the Authority. The Authority shall file reports with the House Committee on Appropriations and the Senate Committee on Finance, at the end of each fiscal year on such cooperative endeavors approved and rejected and the terms, conditions, and status of each loan guarantee entered into during the fiscal year covered
- G. Loans and guarantees for agricultural plants funded in accordance with the cooperative endeavors shall conform to the requirements of LA R.S. 3:283.1, and the rules and regulations for such loans adopted by the Authority; and, the total of all such loans outstanding at any one time shall not exceed \$20 Million.
- H. The Authority may establish and collect fees and charges in connection with its loans, deposits, insurance commitments, and services.

Section 108. Bonds of the Authority

- A. Upon resolution or resolutions adopted by the Authority in accordance with law, the Authority may issue and sell bonds to raise money to finance its missions, public functions, and legitimate purposes.
- B. In connection with the issuance and sale of its bonds, the Authority shall have all powers associated therewith, including:
- (i) the right to refund, renegotiate and refinance, and redeem its bonds; to refinance or foreclose mortgages or other security interests; to protect or enforce any right or benefit conferred upon the Authority; and to bid for and purchase property at any foreclosure or other sale of property and take possession of same; and in such event, the Authority may complete, administer, pay the principal of and interest on any obligation incurred in connection with such property, dispose of, and otherwise deal with such property in such manner as may be necessary or desirable to protect the interest of the Authority or of the holders of its bonds;
 - (ii) the right to create such subsidiary corporations or entities as may be necessary to borrow money, insure or reinsure agriculture loans, or issue bonds in the international financial market; provided that, prior approval to do same has been obtained from the House and Senate committees on Agriculture, Forestry, Aquaculture and Rural Development; and
 - (iii) the right to Issue revenue bonds for the purpose of acquiring, constructing, renovating, and equipping buildings and related facilities for use by the Department of Agriculture and Forestry in connection with the promotion and assistance of agriculture and forestry within this state. The bonds shall be authorized and issued by one or more resolutions adopted by a majority vote of the members of the Authority and shall be payable solely from the income and revenues as set forth in the resolution authorizing the issuance of the bonds.
- B. Bonds may be of such series, bear such date or dates, mature at such time or times, bear interest at such rate or rates including variable, adjustable, or zero interest rates, be payable at such time or times, be in such denomination, be sold at such price or prices, at public or private negotiated sale, after advertisement as is provided by LA R.S. 39:1421, et seq., be in such form, carry such registration and exchangeability privileges, be payable at such place or places, be subject to such terms of redemption, and be entitled to such priorities on the income, revenue and receipts of, or available to, the Authority as may be provided by the Authority in the resolution or resolutions providing for the issuance and sale of the bonds by the Authority.

- C. All bonds issued by the Authority shall be negotiable instruments, unless otherwise provided by the Authority; and may be general obligations of the Authority, secured by the full faith and credit of the Authority and payable out of any money, assets of revenues of the Authority or other sources whatsoever that may be available to the Authority.
- D. Prior to selling any of its bonds, the Authority shall first obtain the approval of the State Bond Commission. If the bond issue is in the amount of \$5 Million or more, the Authority shall first obtain the approval of the Joint Legislative Committee on the Budget before making application to the State Bond Commission.

Section 109. Funds Received by the Authority

- A. Except for those funds specifically exempted by Article VII, Section 9 of the State Constitution, all funds received by the Authority shall be deposited immediately upon receipt in the state treasury and shall be credited to the Bond Security and Redemption Fund. After a sufficient amount is allocated from the fund to pay all obligations secured by the full faith and credit of the State, out of the remainder, the treasurer shall pay an amount equal to the total amount of funds paid into the treasury by the Authority into a special fund designated as the "Louisiana Agricultural Finance Authority Fund". The monies in this Fund shall be used solely for the programs and purposes of the Authority and only in the amount appropriated each year to the Authority by the legislature.
- B. All monies received by the Authority as the result of its participation in cooperative endeavor agreements for agricultural plants shall be deposited into the state treasury immediately upon receipt. The state treasurer shall credit the Agricultural Products Processing Development Fund, established by law for the Authority, with an amount equal to the monies so deposited with the state treasurer, in addition to any amounts appropriated by the legislature for such purpose. The monies in this fund shall be used solely for the agricultural plant cooperative endeavor program and only in the amounts appropriated each year by the legislature for this program.

Section 110. Meetings of Members

- A. Regular Meetings

The Authority shall have at least one meeting each quarter, to be held at the principal office of the Authority, or at such other date, time and place as designated in the call of the meeting.

B. Special Meeting

A special meeting of the Authority may be called by the Chairman, or by any three Members, and it shall thereupon be the duty of the Director to cause notice of such special meeting to be given as hereinafter provided. The Chairman or the Members, as the case may be, who have called the meeting shall fix the time and place for the holding of the meeting, and specify the purpose of the meeting. No business shall be considered at a special meeting of the Authority, except the business specifically included in the written call of the special meeting.

C. Notice of Meetings

Notice of all regular, special and rescheduled meetings of the Authority shall be given at least 24 hours before the meeting in accordance with the Louisiana Open Meeting Law, and more specifically, in accordance with LA. R.S. 42:7. The notice shall include the agenda, date, time, and place of the meeting. The agenda as noticed may only be modified to add an agenda item upon affirmative vote of 2/3rds of the members present at the meeting

D. Notice of Meetings to be Given Members.

Written notice of every regular or special meeting of the Authority shall be prepared by the Director, who shall cause same to be delivered by regular mail, by facsimile, or by electronic mail to each and every Member, not less than seven (7) days prior to the date of the meeting. The notice shall include a proposed agenda for the meeting, a copy of the minutes taken at the previous regular or special meeting, and copies of all resolutions, ordinances, contracts and other written documents to be discussed at the meeting. Members desiring to add matters to the agenda must do so in writing and at least forty-eight (48) hours before the meeting in order that the notice can be published timely.

E. Limitation on Number of Meetings

The number of regular and special meetings of the Authority shall not exceed twelve per year.

F. Written Minutes

Written minutes shall be taken at each regular, special and rescheduled meeting of the Authority in accordance with Louisiana Open Meeting Law, more specifically, LA R.S. 42:7.1. The minutes shall be public records, subject to disclosure, except for matters discussed in executive session and otherwise excepted by Open Meeting Law.

Section 111. Quorum, Rules of Order, and Enactments

A. Quorum

A majority of the Members shall constitute a quorum at all meetings of the Authority. If a vacancy occurs in the office of a Member for any reason, the vacant membership position shall not be included in determining a quorum. No vacancy in such membership position shall impair the right of the Members to conduct official business of the Authority.

B. Rules of Order

The proceedings of any meeting shall be governed by and conducted in accordance with *Robert's Rules of Order, Newly Revised Edition*, except as otherwise provided in the bylaws.

C. Enactments

All official actions of the Authority shall require an affirmative vote of a majority of the Members present and voting at any meeting.

Section 112. Officers

A. Officers

The Authority shall elect a chairman, a vice-chairman, a secretary, a treasurer and such other officers as the Authority deems advisable. All officers shall be Members.

B. Director and Other Administrators

The Authority may appoint a director, an assistant director, a director of the agricultural loan program, and an assistant director of the agricultural loan program, all of whom shall be in the unclassified service of the state. All such appointments shall be subject to approval of the Commissioner, and shall serve at the pleasure of the Commissioner

C. Election and term of Office

The officers shall be elected annually by the Members at the third quarterly regular meeting of the Authority. If the election of officers is not held at the third quarterly meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until his or her successor shall have been elected.

D. Removal of Officers

Any officer elected by the Members may be removed by a majority vote of the Members whenever in the judgment of said majority the best interest of the Authority will be served thereby. Any Member who misses 3 consecutive meetings without good cause shall be deemed to have resigned his or her office.

E. Vacancies

Vacancies in the office of any appointed Member shall be filled in the same manner as the original appointment for the unexpired portion of the office vacated.

Section 113. Duties of Officers

Chairman. The chairman shall serve as the chief executive officer of the Authority, shall preside at all meetings, and shall have all general power and authority incumbent to such office. He or she shall have such additional power and authority as the Authority may specifically assign by resolution or other official act. The chairman shall sign all agreements, contracts, and other documents authorized by the Authority to be executed and signed, for and in behalf of the Authority.

Vice-Chairman. In the absence of the chairman, or in the event of his or her inability or refusal to act, the vice-chairman shall perform the duties of the chairman and, when so acting, shall have the powers of and be subject to all the restrictions upon the chairman. The vice-chairman shall also perform such other duties as from time to time may be assigned to him or her by the Members.

Secretary. The secretary shall be responsible for the accuracy of the minutes of the Authority taken at each regular and special meeting, and bring any corrections to the attention of the Members as occasion may present. The Secretary shall sign the approved minutes and cause them to be filed in the official minute book maintained by the Director at the principal office of the Authority.

Treasurer. The treasurer shall oversee the preparation of the annual budget, and the preparation of quarterly financial statements for presentation to the Members. He or she shall also endeavor to alert the Members of any adverse findings in the books of account and other financial records, or in the financial practices of the Authority, resulting from his/her own inquiry or that of the legislative auditor. The treasurer shall preside at all meetings of the Finance Committee, should one be appointed by the Authority.

Director. The Director shall be appointed as hereinbefore provided, subject to approval of the Commissioner. The Director shall be under the supervision of the Commissioner and shall have the following responsibilities:

(a) Keep and maintain current, on file at the principal office of the Authority, the minute book, a copy of the bylaws, a copy of the rules and regulations adopted and promulgated by the Authority, a copy of all legislative enactments for the creation and operation of the Authority (statutes and Administrative Code provisions), correspondence, bond transcripts, property records (real estate, equipment and fixtures), audits, contracts, and other business records; and

(b) Direct the day-to-day operation of the Authority in a manner consistent with the legislation creating and empowering the Authority, other state law applicable to the operation of the Authority, rules and regulations adopted by the Authority, and resolutions and directives of the Authority; and

(c) Faithfully assist the Secretary with the preparation the minutes of each meeting of the Authority and the Treasurer with the preparation of the annual budget , and to otherwise assist these officers with their respective duties as directed by such officers; and

(d) Generally, and to the extent consistent with the provisions of this section, perform all duties incidental to the office of Director of the Authority and such other duties as may be prescribed by the Commissioner; or which may be prescribed by the Members or appropriately by any officer.

Assistant Director. The Assistant Director shall report to the Director and be responsible for the tasks, duties, and responsibilities assigned to him/her by the Director and/or the Commissioner. In the absence of the Director, or the inability or failure of the Director to perform his/her duties, the Assistant Director shall serve in his/her stead.

Director of Agriculture Loan Program. The Director of the Agriculture Loan Program shall report to the Director of LAFA and be responsible for the administration of the Louisiana Farm and Agribusiness Recovery Loan and Grant Program, Louisiana Wildlife and Fisheries Recovery Program. The Director may also administer any other program of this nature as the need arises.

Assistant Director of Agriculture Loan Program. The Assistant Director of the Agriculture Loan Program shall report to the Director of the Agriculture Loan Program and be responsible for the tasks, duties, and responsibilities assigned to him/her by the Director and/or the Commissioner. In the absence of the Director of Agriculture Loan Program, or the inability or failure of the Director of

Agriculture loan Program to perform his/her duties, the Assistant Director of Agriculture Loan Program shall serve in his/her stead.

Section 114. Commissioner

- A. The Commissioner shall administer and enforce the provisions of the enabling legislation, the rules and regulations of the Authority, and all directives of the Authority.
- B. The Commissioner may employ such personnel as may be necessary to administer and enforce the provisions of this section.
- C. All employees of the Authority shall be under the supervision of the Commissioner.
- D. Compensation and benefits for employees of the authority shall be determined by the Commissioner, subject to any limitations imposed by budgetary considerations.
- E. The Commissioner shall be responsible of assuring that the Authority lets contracts for the construction of improvements and the purchase of materials in accordance with the provisions of Louisiana Public Bid Law, LA R.S. 38:2211, et seq. To this end, the Commissioner may let contracts that are below the contract limit proscribed by law in accordance with the procedure established in the Public Bid Law without presenting the matter to the Authority for prior approval; provided that, the amount to be expended does not exceed the amount contained in the Budget approved by the Authority and, further provided that, the Commissioner report on such expenditures at the next regular meeting of the Authority, or a special meeting called for that purpose. Contracts in excess of the contract limit must be submitted to the Authority for approval of, among other things, scope of the project, cost/benefit, and source of funds.

Section 115. Experts and Consultants

The Authority may employ legal, financial and technical experts and consultants on a contractual basis as it deems necessary.

Section 116. Committees

- A. By resolution, the Members may establish standing and ad hoc committees to facilitate and advance the business of the Authority.
- B. A committee shall be comprised of a fixed number of Members, and/or employees, and/or agents of the Authority. In addition thereto, the Chairman shall be an ex officio, non-voting member of any committee.

C. The Chairman shall appoint the members of any committee and designate its chairperson. The term of any appointment to a committee shall be concurrent with the term of the Chairman or the term of the committee as may be set forth in the subject resolution, whichever is the shortest period.

D. The chairperson of the committee shall be authorized to call a meeting of the committee and shall cause to be posted an announcement of, and agenda for the meeting of the committee. The findings, recommendations, and proceedings of a committee shall be reported to the Members at the subsequent meeting of the Members.

Section 117. Financial Transactions

A. Contracts

All leases of Authority property and all other contracts, other than contracts for public works and materials, of the Authority having an annual monetary value in excess of \$12,000, shall be presented to the Authority for approval, or not, by the Members. When a contract is presented to the Members, it shall be accompanied by an executive summary explaining the purpose or objective of the agreement, the benefits inuring to the Authority, and the financial affect on the Authority. If the contract requires an expenditure of Authority funds, reference to the budget and particular line item or items should be made.

Negotiation and execution of contracts shall be as elsewhere provided in these bylaws; however, in the resolution authorizing the execution of a contract the Members may authorize and direct a particular person to negotiate and execute the contract, or deliver any instrument in the name and on behalf of the Board, but that any such authority shall be confined and limited to the specific instance.

All Public Contracts, as that term is defined in LA R.S. 38:2211A(10), shall be bid and let in strict conformance with Public Bid Law and the State Licensing Law for Contractors, and where applicable using the bid forms promulgated by the State of Louisiana, Division of Administration.

B. Checks, Drafts, Etc.

All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, employee or employees, or agent or agents of the Authority, or any combination thereof, and in such manner as shall from time to time be determined by resolution of the Members.

C. Deposits

All funds of the Authority shall be deposited from time to time to the credit of the authority in such bank or banks as the Authority may select, or with some other fiduciary as may be required by the Authority. The fiscal agent of the Authority shall be determined as required by law.

D. Fiscal Year

The fiscal year of the Authority shall begin the first (1st) day of July each and every year and shall end on the last day of June of the following year.

E. Annual Audit

The Members shall provide for an annual financial audit of the affairs of the Authority. In so deciding, the recommendations of the Treasurer shall be given due deference.

F. Annual Budget

The Authority shall adopt an operating budget and a capital budget for the ensuing fiscal year at the June regular meeting of the Authority or at a special meeting called for that purpose. These budgets shall contain such detail and be in such form as is proscribed by the Louisiana Legislative Auditor, and absent such proscriptions, as is suggested by the certified public accountants selected by the Authority to conduct the annual audit.

The Commissioner shall present to the Authority a written long term plan of action, including requested capital expenditures, at the March meeting each year to assist the Authority in formulating the operating and capital budgets.

Section 118. Miscellaneous

A. Waiver of Notice

Any Member may waive in writing notice of a meeting required to be given by the bylaws. The attendance of a Member at any meeting by a Member who has not received legal notice shall constitute a waiver of such notice; except that, a Member may appear for the purpose of protesting any special meeting for which notice has not been legally given.

B. Rules and Regulations

The Members shall have power to make and adopt such other rules and regulations which are not inconsistent with the Act, ordinances and other laws, or

bylaws as may be deemed advisable for the government of the Authority and its Members.

C. Books and Records

The Authority shall keep correct and complete books and records of accounts and minutes of the meetings of the Members. All books and business records of the Authority may be inspected by any Member for the proper purpose at any time.

Section 119. Amendments

These bylaws may be altered, amended, or repealed by the affirmative vote of two-thirds of the sitting Members at a regular or special meeting of the authority; provided that, the notice of such meeting shall show such proposed action as an agenda item, and further that the notice contain a copy of the proposed alteration or amendment.